

TRANSCRIPT

How to Avoid Common Startup Blunders

Podcast interview with Tabitha Naylor, sales and marketing expert and founder of SuccessfulStartup101.com and TabithaNaylor.com; and Leigh Minnier, member of the Kimco Realty blogging team

Leigh: Hello everyone. My name is Leigh Minnier and I'm a member of Kimco Realty's blogging team. Today we are here with Tabitha Naylor, founder and owner of SuccessfulStartup101.com and TabithaNaylor.com. Tabitha is a marketing consultant who helps businesses fine tune their brand's marketing strategies to increase profitable and to make more of an impact. SuccessfulStartup101.com is an online magazine that provides resources to small businesses and startups that are launching their new operations. This advice includes topics on management, sales and marketing, business strategy, finance, and general advice. Today we've invited Tabitha for a chat about how retail businesses can use marketing metrics to best calculate their return on investment. Welcome to the show, Tabitha.

Tabitha: Thank you. I'm happy to be here.

Leigh: Tell us a little bit about yourself. How did TabithaNaylor.com and SuccessfulStartup101.com come to be?

Tabitha: I have a heavy sales and marketing background and what I noticed over the years is that there was a unique need, specifically for startup founders and small business owners in the marketing arena. A lot of the companies that are out there who are offering comparable services to what TabithaNaylor.com offers really cater to larger organizations. Small businesses and startups traditionally have very limited funding for marketing but as we all know, it's something that's necessary to create a sustainable, viable business. So, I originally launched the company to start to fill more of a need there. We're a full-service marketing agency, but we pride ourselves in delivering high-quality value at costs that are more affordable for small businesses and for startups.

The business is going to be four years old in October and one thing that I noticed along the way when I was speaking with a lot of business owners, is that traditionally, they end up making the same mistakes as one another. It doesn't matter where they are geographically, what niche they're in, it's just human nature that we unfortunately end up making these kinds of mistakes, and they end up costing us in the long run. So, that's where the idea for SuccessfulStartup101 stems from. And it's really meant to be a resource, not necessarily just from a marketing standpoint, but from an overall business management standpoint.

What I do is I partner with experts in their related fields and aggregate this content on a monthly basis in the magazine. The magazine is very interactive so it includes articles as well as videos and also podcasts. It's a very engaging, rich media experience which kind of makes it a little bit more fun and entertaining to read. That sounds odd when you're referring to a business publication, but we live in an age of information overload and it's very difficult for people to find high-quality information that's current, that's applicable, and not just based in theory. The idea is really to cut out the clutter and to become a go-to resource for small businesses and for startups that are looking for actionable business advice that they can apply directly to the businesses themselves.

Leigh: **And how do you define modern day marketing?**

Tabitha: Modern day marketing is really a lot more than getting your name out in front of potential customers and clients. It's about engagement with potential customers and helping them feel as if they're not only valued, but also involved. Current marketing styles are all about measurement and understanding the effectiveness of your accounts, which means that you need to be using all the tools that are at your disposal and tracking them to understand and develop their effectiveness. It isn't just enough to have a good idea – you have to know the risks associated with the idea and how you're paying for it.

So, modern day marketing is idea driven, but that's really just the face of it. If you look at current marketing strategies, they're really about the data that we can generate from websites, from apps, and from conversions. If you look at that data, we can develop numbers on engagement, cost per click, bounce rate, and a lot of other informative and valuable metrics, which are often times overlooked, but shouldn't be. And if you take the time to really dive deep into this, you'll determine fairly quickly how effective modern marketing techniques actually are. It gives you information regarding patterns over time, or a lack-there-of, which in turn can help small businesses fine tune their strategies.

So if you look at modern day marketing, it really isn't just about reaching as many people as possible. It's about reaching the right people who are going to be interested in your product or service. And if you take the time to really focus in on the metrics, it allows you to start targeting the people and demographics that are going to become leads and ultimately who are going to become customers. So, the idea is with modern marketing to not necessarily cast your net too wide, but to be very strategic in how you're actually casting that net.

Leigh: **So we saw on your website that you talk about inbound and outbound marketing. Can you explain the difference to our listeners?**

Tabitha: Sure! Inbound and outbound marketing are totally different and represent a great case of old versus new. If you think about outbound marketing, the efforts really focus on

going to a potential customer, so it doesn't really allow direct feedback or interaction. It's often unsolicited and considered an older form of communication between a company and customer. Things like outbound phone calls, billboards, advertising, direct mail, those are all examples of outbound marketing and the attempts aren't necessarily designed to build relationships or interest with the person. It ends up being more about education and entertainment.

Outbound marketing attempts are there to sell a product in short form as quickly as possible. If you think about inbound marketing, it's really considered more new marketing and it's a way that businesses can have direct communication with their customers and potential customers through their direct efforts. A lot of times these leads will come to the business through a variety of means, but a lot of times it's going to be generated through internet and social media. These efforts are driven by strategic marketing, and marketing is very dynamic and it requires interaction. So rather than using a hard sales approach, it's more about facilitating and building relationships while entertaining and also educating.

In essence, inbound marketing is capitalizing on people who've already shown an interest in your product or service, therefore making them more likely to become customers in the future. It really is about that direct interaction and building marketing campaigns that draw people into you instead of pushing out to them.

Leigh: **How can retailers and small businesses looking to get off the ground effectively incorporate this inbound marketing into their business strategies?**

Tabitha: Inbound marketing is about engagement. Customers don't want to be sold anything anymore. They get hit with so many marketing and sales messages through TV, through the internet, through radio. They are constantly bombarded with sales pitches, but people don't want to be sold anything. If they feel like they're just there to be convinced to buy something, a lot of times they're going to turn away because they just don't want to have that type of pressure. With inbound marketing, it's about providing something to your customers that they have to come to you to get, all without making them feel as if they're only there to be convinced to spend their hard earned money.

Blogs are a great way to generate interest and draw an audience without the pressure of the sales pitch. A good example of this is if you're a small town restaurant: share recipes that you love on your blog and answer questions and comments about the recipes. Also, respond to social media inquiries about hours, your menu, or your ability to cater to food allergies. If you're a retail establishment, if you've got a new product line, educate people about that through a blog or on your social media platform. These are really good examples of inbound marketing where you draw people in and you're also turning them on to your business in a different way but without saying, 'Hey, come have dinner here, come shop here.'

When you think about it, people will come to you if you give them something valuable and different to look through. And they'll stay with you when they feel that you want to involve them in your organization and that it's more of a relationship than just an advertisement.

Leigh: **You mentioned ROI before, why is that so important and what are some marketing metrics that retailers and other businesses should be aware of?**

Tabitha: ROI is an incredibly valuable metric because it tells you if your marketing investments are actually paying off for your business. But it's more than just profits, because you can make an incredible amount of profit that still doesn't equal your investment. For instance, if you have a great year for profit because you bring in over a million dollars after starting your marketing campaign, but then you realize that the marketing program actually cost you \$1.2 million, you didn't make any money, you ended up losing money. So, while the revenue is great, if you're not making any sort of profit at all, you're working for free.

You can calculate ROI with a simple formula, which is your gross profit, minus your marketing investment, divided by your marketing investment. It's not enough to just know how much you've made. You have to divide that by the investment that you've put in to understand the percentage of your investment that was returned to you as a profit, and if you're actually making money based on that. It's something that so many small business owners don't necessarily track properly and it's something that I'm constantly having conversations with people about because, at the end of the day, you need to know what marketing dollars are actually generating ROI and what marketing dollars aren't.

When I tell people let's track your ROI, it's not necessarily just about the umbrella amount that your marketing budget is for the month, it's breaking it down further. How much are you spending on social media marketing? How much are you spending on content marketing? And dividing that up into specific campaigns because, a lot of times, what this will do is allow the small business owner to pinpoint specifically what campaigns are delivering ROI and which campaigns aren't. If a campaign isn't delivering ROI, it doesn't make a lot of sense keeping that campaign running on a long-term basis. So, it's about looking at things holistically, and then also breaking them up to see the individual scope of how you're spending your marketing time and your marketing dollars to quantify the ROI for each specific activity.

Leigh: **Do you have any simple ways for retailers to increase their ROI through these metrics?**

Tabitha: The basic way to increase the ROI and customer base is to genuinely be engaging with your customer. People can tell when you're only communicating with them because you feel like you have to. You can use social media to connect with customers because it's basically free exposure and having positive social interactions with customers is a must.

Plus, if you're working with customers through social media, your expense is zero; it really is just the time spent going into it. Your ROI goes up because it didn't cost you anything other than a genuine desire to make your customers happy.

Now if you're looking at blogging, that's also a great way to connect with your potential clients and customers because if you're writing about the things that you do, people who read your posts are going to fit into the niche of your potential clients. You aren't likely to have someone reading your blog about cleaning residential HVAC filters if they aren't in need of that particular service. With blog posts, they help you narrow down your audience, people who would actually be interested in the product or services that you have to offer. Then, you can then further engage with them in the comments section if they have a thought or they have a question, or whatever the case may be.

One of the biggest impacts that I've seen through inbound marketing, like blogs and e-books, can be illustrated through a kind of obscure example of a martial arts studio. Most adults assume that martial arts classes are for children and that they would never benefit from them, but the exact opposite is true. In my business specifically, we use a lot of different inbound marketing techniques like blogs, e-books, and sales letters to share the value of all different types of martial arts classes for adults, children, and families. As a result, studios have seen a tremendous jump in their enrollment.

So, it's important to not necessarily focus on the things that people have a tendency to gravitate toward, or assume might be their target market, but to sometimes get a little bit creative and think outside the box. Think to yourself: what are different ways that I can expand my client base and my customer base? And just try to brainstorm and massage through those different ideas. Because a lot of times, taking a little bit of a risk ends up paying tremendously in the long run when it comes to inbound marketing.

Leigh: **For your clients that have blogs, how often do you recommend that they post and share news with their audiences?**

Tabitha: When it comes to blogging, I always recommend that they're posting two times a week. Mondays and Thursdays have traditionally been the best when it comes to engagement, so those are always my recommended strategies. I also understand that for a lot of startups and small businesses, blogging twice a week can be a little bit overwhelming, but my recommended posted strategy is always two times a week. If you're doing it less frequently than one time a week, you're really doing your content marketing a disservice, and I would encourage you strongly to put the necessary time in to get another blog post up per week. Two times a week is great because it helps with your online search optimization and how you're ranking in the search results when people are searching. Obviously, the higher you are in search results, the easier it is for people to find you. It's also great for engagement with your existing customers, and with potential clients, and customers.

Leigh: **What other tips do you have to accurately calculating ROI? You already gave us that helpful equation, but are there any other free, easy tools that you recommend?**

Tabitha: The one thing that I recommend the most is just that simple equation; not to be self-serving, but I actually have ROI calculators that are on both TabithaNaylor.com and SuccessfulStartup101.com that are completely free tools. It's something that I spent a tremendous amount of time developing, because at the end of the day, ROI is something that I'm constantly speaking to people about and it's a really great way for people to get a handle on how their marketing dollars are being spent versus what's actually being generated.

Leigh: **Great. On your SuccessfulStartup101 site that you just mentioned, you also provide a checklist for small businesses. Can you elaborate on some of the items that should be on every retailer's checklist?**

Tabitha: Sure. Every great business starts with great planning. You have to know where you want to go in order to actually get there. And that doesn't mean that the plan won't change over time, because the likelihood is that it will, but it does give you a roadmap so that you can stay on track. Otherwise, what I see is that people have a tendency to just wing it, and when you're winging it, you zigzag right and dodge left, and it takes you a lot longer to get to where you want to be because you don't have a specified trajectory of how to get there. So for every small retail business, you have to start with a business plan; have a written document that establishes the goals and the scope of your business, and also determine the things like management. When it comes to your business, know your business type -- S-Corp, LLC, sole proprietor -- make sure that you have all those things lined up. Then figure out where your money's going to be coming from.

Now it seems pretty obvious, but make sure that you have a monthly budget. Make sure that you can figure where the money's coming from, that you understand how much money you're going to need on a monthly basis for your overhead, for inventory, for your marketing, and that you have all of your finances in a row. I always tell people there are two things that you should always have before you get a foot out the door: make sure that you have a great attorney and make sure that you have a great accountant. I know from personal experience what it's like to start a business and not have both of those in a row, it becomes very tricky later. So definitely make sure that you have those two bases covered.

Also, I always recommend people have a website, have some sort of web presence. Whether you like it or not, the likelihood is that potential clients and customers will go online and they'll try to find you. Asocial media presence is great, but I always recommend having a website, because that really is your online storefront to the world, and you never know how people are going to learn about you, how they're going to find

out about you, so you want to make sure that you're putting your best foot forward regardless where they're finding you. If you've got your retail storefront and it looks amazing, make sure that your social media presence is amazing as well. Make sure that your website also puts your best foot forward as well.

Leigh: **Okay, thank you very much. You offered a lot of helpful tips and interesting tidbits on how retailers and new businesses can begin their marketing program and measure their success. Thank you for joining us today.**

Tabitha: Thank you so much for having me.

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